

REPORT


DATE: March 4, 2004

TO: Administration Committee and Regional Council

FROM: Debbie Dillon, Supervising Human Resources Officer
213-236-1870 or dillon@scag.ca.gov

SUBJECT: Employee Benefits Plan - Section 132 Transportation Account

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION: Authorize Executive Director to execute a resolution to adopt an employee benefit plan for an Internal Revenue Code Section 132 - Transportation Account effective April 1, 2004.

BACKGROUND: This employee benefit plan is another type of plan with pre-tax benefits similar to other Cafeteria Plans. A Section-132 plan allows employees to use pre-tax dollars to pay work related out-of-pocket parking and commuting expenses. At the same time SCAG minimizes its payroll tax expense for Medicare taxes. This plan has two components:

Parking Plan

Employees may set aside up to \$195 per month of pre-tax money for work-related parking expenses.

Transportation Account

Employees may set aside up to \$100 per month to pay for out-of-pocket commuting expenses including mass transit and/or vanpool expenses.

SCAG's current provider of Cafeteria Plan services, CONEXIS, will also provide administration services to SCAG for the Section 132 - Transportation Account.

FISCAL IMPACT: Adopting this resolution has no fiscal impact to SCAG. The employee benefit plan administrative cost is included in the existing Cafeteria Plan administered by CONEXIS.



Certificate of Resolution
04-450-1

The undersigned President of the Regional Council for the Southern California Association of Governments hereby certifies that the following resolutions were duly adopted by the Regional Council of the Southern California Association of Governments on March 4, 2004, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of Cafeteria Plan effective April 1, 2004 presented to this meeting is hereby approved and adopted and that the proper officers of the Southern California Association of Governments are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

RESOLVED, that the Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.

RESOLVED, that the proper officers of the Southern California Association of Governments shall act as soon as possible to notify the employees of the Southern California Association of Governments of the Adoption of the Cafeteria Plan by delivering each employee a copy of the summary description of the Plan in the form of the Summary Plan Description, which form is hereby approved. Regional Council hereby adopts a Section 132 Transportation Account effective as of April 1, 2004.

BE IT FURTHER RESOLVED, that the Executive Director, or in his absence, the Deputy Executive Director is hereby authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

APPROVED AND ADOPTED by unanimous consent of the Regional Council at a regular meeting this 4th day of March, 2004.

Bev Perry
President, SCAG

Mark Pisano
Executive Director

Attest: _____
Karen Tachiki
Chief Counsel

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